



(Incorporated in the Cayman Islands with limited liability)

Plover Bay Technologies Announces 2022 Interim Results

Revenue and diluted EPS grew 22.5% and 9.3% year-over-year in a mix of pandemic impact and strong demand for reliable connectivity

HONG KONG - 28 July 2022 - Plover Bay Technologies Limited ("Plover Bay", SEHK stock code: 1523), today reports its interim financial results ended 30 June 2022 ("1H22" or "the interim period") with revenue of US\$40.1 million, net income of US\$10.3 million and diluted earnings per share of US0.94 cents. In addition, Plover Bay declares a first interim dividend of HK5.90 cents.

Financial Summary:

For the six months ended 30 June 2022	<u>1H22</u>	<u>1H21</u>	<u>YoY Change</u>
Revenue (US\$ in 000)	\$40,114	\$32,751	22.5%
Gross margin (%)	55.7%	60.0%	-4.3pp
Operating expenses, other income and finance cost (US\$ in 000)	\$10,062	\$8,603	17.0%
Profit before tax (US\$ in 000)	\$12,283	\$11,042	11.2%
Net profit (US\$ in 000)	\$10,308	\$9,292	10.9%
Diluted earnings per share (US\$ in cents)	0.94	0.86	9.3%
Dividend declared (HK\$ in cents)			
First interim dividend	5.90	5.32	10.9%

1H22 Highlights

- Despite the partial lockdowns in Hong Kong in Q1 and brief disruptions of our contract manufacturers in Taiwan in Q2, we still managed to achieve a 22.5% revenue growth and a 10.9% growth in net profit, both year-over-year respectively, due to the growing need for reliable connectivity around the globe.
- Revenues from North America increased 30.6%, EMEA increased 13.5%, Asia increased 3.9% and other regions increased 53.4%, respectively year-over-year.
- In our business segments, sales of wireless SD-WAN routers increased 18.7%, sales of wired SD-WAN routers increased 10.4%, warranty and support services increased 44.1% and sales of software licences increased 18.3%, respectively, year-over-year.
- Plover Bay continues to offer one of the most comprehensive product offerings of 5G mobile routers in the market purpose-designed for various industries. The 5G products have contributed 15.9% of the total sales, with a 255.4% year-over-year growth.
- We continue to see strong market demand for small-sized, ad-hoc networks and remote networks, with the best-selling volume-based products experiencing a 43.4% year-over-year growth.
- Recurring revenue was 27.1% of total sales and achieved a 42.7% year-over-year growth, which is contributed by the deferred revenue from hardware purchased from the last twelve months, a 34.8% year-over-year increase in the active paid subscriptions and growing revenue of our data services.
- Operating expenses, primarily including selling & distribution, general and administration and research and development expenses, amounted to approximately US\$10.1 million with a year-over-year increase of 13.5%, which is inclusive of the US\$1.0 million foreign exchange losses due to depreciation of Euro against US dollars.
- Net profit increased 10.9% year-over-year to about \$10.3 million. Diluted earnings per share increased 9.3% year-over-year to US 0.94 cents, from US 0.86 cents during the same period in 2021.

Business outlook

Going forward, we are seeing a number of drivers:

- **Continuous growing demand for cost-efficient connectivity** - As the global economic outlook dims, businesses need to seek new ways to cut costs. Compared with our competitors, the total cost of ownership of our products are very competitive. We are ready for the competition ahead with our connectivity ecosystem offering, lean operating culture and passion-driven team.
- **Multi-year 5G deployment cycle** - During the period, our 5G products have contributed 15.9% of total revenue and experienced approximately 255.4% year-over-year growth. Plover Bay continues to be one of the most, if not the most, comprehensive product offering of 5G mobile routers in the market purpose-designed for various industries.
- **Ecosystem of cloud-based and hardware solutions continues to scale up** - During the reporting period, we introduced a new feature called InTouch, which allows our enterprise customers to remotely manage their system which comprises Peplink equipment and third-party devices. On the hardware side, we introduced the BR2 Pro, which is an all-in-one router with dual 5G modems allowing the end users to enjoy two different cellular networks. The overall increase in the installed base and data services revenue are very encouraging.

Mr. Keith Chau, CEO of the Group said “We remain confident that we are at an early stage of a multi-year growth cycle. Plover Bay has moved beyond SD-WAN. SD-WAN is only one of the things we do. The bigger picture is connectivity. Our mission is to make connectivity reliable and accessible anywhere.”

About Plover Bay Technologies Limited

Plover Bay Technologies (SEHK: 1523) Plover Bay Technologies (stock code: 1523) is a world-leading Internet connectivity technology company. The Company is primarily engaged in developing and commercialising SD-WAN solutions under its own brands – ‘Peplink’ and ‘Pepwave’, whose core technologies and services help thousands of customers from varied industries to increase bandwidth, enhance Internet reliability, and reduce costs. The Group’s complete product line includes models for businesses of all sizes and provides an award-winning Internet experience for customers.

For more details, please visit <https://www.ploverbay.com>.

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